

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
MEDICAL ASSISTANCE ADMINISTRATION
Olympia, Washington**

To:	All Providers Regional Administrators CSO Administrators	Memorandum No. 99-63 MAA Issued: January 1, 2000
From:	Thomas W. Bedell Acting Secretary Medical Assistance Administration	For further information, call: William Stoner CHIP Program Manager (360) 725-1323
Subject:	Children's Health Insurance Program (CHIP)	

Effective with dates of service on or after February 1, 2000, the Medical Assistance Administration (MAA) will begin the Children's Health Insurance Program (CHIP). This numbered memorandum provides detailed information about CHIP. There are approximately 15,000 children in Washington that may qualify for this program.

Attached is a one-page **Quick Reference** card summarizing the main points of the program.

Background

CHIP is a new federal non-entitlement program¹ for children under 19 years of age with a family income between 200% and 250% of the federal poverty level (FPL). This is approximately \$2,784 to \$3,480² per month for a family of four.

The same income deductions and citizenship requirements are used for MAA's Children's Medicaid program when determining a child's CHIP eligibility. MAA will use the same application form and process used to enroll children in CHIP as used for children's medical programs.

Scope of Services

- CHIP clients who are not enrolled in managed care may receive the same scope of services as Medicaid's Categorically Needy (CNP) program.
- CHIP clients enrolled in managed care will receive the same services through plans as under Healthy Options.

¹ Regulations to be adopted in Washington Administrative Code.

² Income levels are adjusted annually.

Eligibility Requirements for CHIP

- Federal law places limits on CHIP eligibility. These limits mean that a child:
 - ✓ Who is eligible for Medicaid, cannot be enrolled in CHIP;
 - ✓ Who has private medical insurance (referred to as creditable coverage) at the time of application, cannot be enrolled in CHIP; or
 - ✓ Whose family has chosen to drop employer-sponsored health coverage for a child may have to wait four months before the child can become eligible again for CHIP.
- MAA's Division of Client Support, Medical Eligibility Determination Section (MEDS), determines whether a child is eligible for CHIP and whether the client is subject to a waiting period.
- The client must choose how services are received before the client becomes eligible for CHIP. The choices vary depending on where the client lives.

In counties with:

- ✓ Two or more managed care plans, the client must choose a managed care plan;
(A client who is required to enroll in managed care may change plans during the 60-day period after enrollment and during the annual open enrollment period. The client may not change plans otherwise, unless there is good cause. Otherwise, the client remains in his/her chosen plan for the remainder of the calendar year.)
- ✓ One managed care plan, the client must choose between a managed care plan or MAA's fee-for-service program;
(A client may change to fee-for-service or managed care with or without good cause. Changes can be made monthly; however, the change is not effective until the following month.)
- ✓ No managed care plan, the only choice available is MAA's fee-for-service program.

There are two managed care plans for CHIP:

Northwest Washington Medical Bureau and Community Health Plan of Washington. The attached table shows the counties covered by each plan.

CHIP Managed Care Enrollment

- Clients are enrolled in managed care on a prospective basis, covered services rendered to eligible CHIP clients before they are enrolled in managed care will be paid fee-for-service.
- American Indian/Alaska Native clients may choose one of the following:
 - ✓ Enroll with a CHIP plan available in their area;
 - ✓ Enroll with a CHIP Indian or tribal primary care case manager provider; or
 - ✓ MAA's fee-for-service program.

Note: American Indian/Alaska Native CHIP clients may change plans monthly with or without good cause; however, the change is not effective until the following month.

Fee-for-Service

- Services will be covered from the first of the month in which the application was received.
- Fee-for-service providers who have a valid provider number may bill MAA for covered services rendered to CHIP clients. Providers who do not have a valid provider number must obtain one before they are eligible for reimbursement. MAA will reimburse providers using MAA's fee schedules. Providers will be required to follow the current fee-for-service policies and procedures.

CHIP Client Costs

The biggest differences between CHIP and MAA's other medical programs are that CHIP requires families to pay copays and monthly premiums.

CHIP clients are to pay copays directly to providers, not MAA.

- **For both fee-for-service and managed care,** MAA requires a copay for certain services, as follows:

- ✓ \$5.00 for medical office visits with physicians, Advanced Registered Nurse Practitioners (ARNPs), and Physician Assistants (PAs), (i.e., CPT³ codes 99201-99215).

This copay does not apply to the following:

- Consultations;
 - Deliveries;
 - Dental;
 - Drug and alcohol treatment;
 - Exams with immunizations or exams as a result of an EPSDT (well child check) screening;
 - Inpatient or outpatient surgery;
 - Mental health services (includes services with psychiatrists or psychologists); or
 - Radiology.
- ✓ \$5.00 for non-generic (i.e., brand name or single source) drugs. (Generic drugs have \$0 copay.)
 - ✓ \$25.00 for use of the emergency department visits that do not result in hospital admission.

Note: For fee-for-service, MAA will not deduct the \$5.00 copay from provider bills, but will deduct the \$25.00 copay from hospital bills if the client is not admitted.

Providers may choose to collect the copay at the time of service(s), bill the client, or refuse service to CHIP clients until copay is paid (excluding emergency situations).

Providers who contract with NWMB or CHPW will need to contact their plan regarding collection of copay.

³ CPT codes and descriptions only are copyright 1999 American Medical Association.

- **For fee-for-service and managed care,** CHIP client premiums paid by the family to MAA are \$10.00 per child, per month, with a family maximum of \$30.00 per month. There is a grace period for non-payment, but clients who do not pay the premiums for four months will be ineligible for CHIP.

Clients must send payments for their monthly premium to DSHS, Finance Division. MAA's Division of Client Services, Medical Eligibility Determination Services (MEDS) staff will make all decisions regarding a client's eligibility due to non-payment of premiums.

- A family's maximum out-of-pocket expense for CHIP premiums and copays is: \$300.00 for one child enrolled in CHIP; \$600.00 for 2 children enrolled in CHIP; or \$900.00 for 3 or more children enrolled in CHIP.

Once a family reaches the out-of-pocket expense maximum, MAA will issue a letter to all children in the family that they are exempt from payment of copays and premiums until the end of the first child's 12-month eligibility period.

- ✓ The 12-month time frame starts on the date that the first child in a family became eligible for CHIP. (This timeframe is not necessarily based on a calendar year.)
 - ✓ At the end of this 12-month period, the family will be required to begin paying premiums and copays if they continue to be eligible.
 - ✓ Families are responsible for tracking their out-of-pocket costs and contacting MAA's Division of Client Services, Medical Eligibility Determination Section at 1-800-204-6429 if they believe they have reached their 12-month out-of-pocket maximum.
- MAA exempts American Indian/Alaska Native (AI/AN) clients from paying client premiums and service copays.

MAA will issue a letter to these American Indian/Alaska Native clients that they are exempt from copays and premiums.

Check client's Medical Assistance IDentification Card (MAID) for eligibility

- CHIP clients eligible for medical services will receive a MAID card with a CHIP identifier. Program code "F07" will be in the upper, right-hand corner and the word "CHIP" in the lower, right-hand corner of the MAID card. (See attached MAID card.) (Only clients with the F07 code and CHIP identifier on their MAID card should be charged the copay.)
- If the client is enrolled in managed care, there will also be an HMO identifier in the HMO column of the MAID card.

Attachments: Sample MAID Card and List of Managed Care Plans

SAMPLE: Medical Assistance IDentification (MAID) Card for a CHIP Client

Please read the back of this card.

+
123 Main Street
Anytown, WA 98000
+

MEDICAL IDENTIFICATION CARD

This Card Valid From: 020100

F07 To: 022900

Patient Identification Code (PIC)				Medical Coverage Information							
Initials	Birthdate	Last Name	TB	Insurance	Medicare	HMO	Detox	Restriction	Hospice	DD Client	Other
G- HIC	050590 N/A	JUMP	A								

CHIP

**GORDON JUMP
123 MAIN STREET
ANYTOWN, WA 98000**

**044 004018221
L000000002**

SHOW TO MEDICAL PROVIDER AT TIME OF EACH SERVICE
DSHS 13-030 ACES (04/95)

(NOT TRANSFERABLE)

SIGNATURE (Not Valid Unless Signed)

2000 CHIP PLANS – October 14, 1999

Enrollment Choices for CHIP Clients by County

Note: American Indian/Alaska Native clients will also be able to choose Indian Clinic PCCM services for CHIP, just like for Healthy Options, if they live in a catchment area for a clinic.

County	Comm. Health Plan of WA (CHPW)	Northwest Washington Medical Bureau	MAA Fee-for- Service
Adams	X		X
Asotin			X
Benton	X		X
Chelan	X		X
Clallam			X
Clark	X		X
Columbia			X
Cowlitz	X		X
Douglas	X		X
Ferry	X		X
Franklin	X		X
Garfield			X
Grant	X		X
Grays Harbor	X		X
Island	X	X	
Jefferson	X		X
King	X		X
Kitsap	X		X
Kittitas			X
Klickitat	X		X
Lewis	X		X
Lincoln	X		X
Mason	X		X
Okanogan	X		X
Pacific			X
Pend Oreille	X		X
Pierce	X		X
San Juan		X	X
Skagit	X	X	
Skamania	X		X
Snohomish	X	X-Stanwood	X
Spokane	X		X
Stevens	X		X
Thurston	X		X
Wahkiakum			X
Walla Walla	X		X
Whatcom	X	X	
Whitman			X
Yakima	X		X

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Summary of the Children's Health Insurance Program

The attached **Memorandum No. 99-63 MAA** contains important information on the new Children's Health Insurance Program. Below is a summary of the memorandum.

What is CHIP:	A new federal non-entitlement program. Coverage starts February 1, 2000.
Scope of Services:	Same scope of services as Categorically Needy Program (CNP)
Eligibility:	<p>A child:</p> <ul style="list-style-type: none">✓ Who is eligible for Medicaid, cannot be enrolled in CHIP;✓ Who has private medical insurance (referred to as creditable coverage) at the time of application, cannot be enrolled in CHIP; or✓ Whose family has chosen to drop employer-sponsored health coverage for a child <u>may</u> have to wait four months before the child can become eligible again for CHIP.
CHIP Managed Care Enrollment:	There are two managed care plans for CHIP: Community Health Plan of WA and Northwest Washington Medical Bureau. The attached table shows the counties covered by each plan.
CHIP Client Cost:	<p>\$5.00 copays are paid directly to providers for office visits with physicians, ARNPs and PAs (i.e., CPT¹ codes 99201-99215). Copays are not to be collected for:</p> <ul style="list-style-type: none">✓ Consultations;✓ Deliveries;✓ Dental;✓ Drug and Alcohol treatment;✓ Examinations with immunizations, or exams as a result of EPSDT;✓ Inpatient or outpatient surgery; or✓ Mental health services (Includes services with psychiatrists or psychologists). <p>Other copays include \$5.00 for non-generic drugs (generic drugs have no copay) and \$25.00 for use of the emergency room when there is no admission. (If the client is admitted there is no copay). DSHS will not deduct the \$5.00 copay from provider bills.</p> <p>Families are responsible for tracking their out-of-pocket cost and contacting MAA at 1-800-204-6429 if they believe they have reached their 12-month out-of-pocket maximum. MAA will issue a letter to clients who have reached their maximum out-of-pocket costs. American Indian and Alaska Native children do not pay copays or premiums and will be issued a letter stating this.</p>
Medical Assistance Identification (MAID)	Check for the CHIP identifier on the client's MAID card. Program code F07 will be in upper, right-hand corner and the word "CHIP" in the lower, right-hand corner of MAID card. Only clients with this code and identifier should be charged the copay.

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2000 CHIP PLANS – October 14, 1999

Enrollment Choices for CHIP Clients by County

Note: American Indian/Alaska Native clients will also be able to choose Indian Clinic PCCM services for CHIP, just like for Healthy Options, if they live in a catchment area for a clinic.

County	Comm. Health Plan of WA (CHPW)	Northwest Washington Medical Bureau	MAA Fee-for- Service
Adams	X		X
Asotin			X
Benton	X		X
Chelan	X		X
Clallam	X		X
Clark	X		X
Columbia			X
Cowlitz	X		X
Douglas	X		X
Ferry	X		X
Franklin	X		X
Garfield			X
Grant	X		X
Grays Harbor	X		X
Island	X	X	
Jefferson	X		X
King	X		X
Kitsap	X		X
Kittitas			X
Klickitat	X		X
Lewis	X		X
Lincoln	X		X
Mason	X		X
Okanogan	X		X
Pacific			X
Pend Oreille	X		X
Pierce	X		X
San Juan		X	X
Skagit	X	X	
Skamania	X		X
Snohomish	X	X-Stanwood	X
Spokane	X		X
Stevens	X		X
Thurston	X		X
Wahkiakum			X
Walla Walla	X		X
Whatcom	X	X	
Whitman			X
Yakima	X		X